

Production

The Coop Group also includes numerous manufacturing companies, chief among them the Bell Food Group, in which Coop is a majority shareholder. The Bell Food Group, which is one of the leading companies in meat processing and the production of convenience products in Europe, gives Coop a strong international presence.

Over **6.7%**
more sales from sustainable
products in Production

Net sales of the Coop Cooperative Production segment grew to CHF 815 million in 2019. Added to this are net sales for the Bell Food Group, which increased to CHF 4 billion. Total sales of sustainable ranges in Production came to around 1.32 billion francs in 2019. Coop therefore increased its sales of sustainable products in the production area by 6.79% year on year.

Bell Food Group

The 2019 financial year saw big rises in raw material prices for pork in Europe, the organizational restructuring of Bell Germany, the commissioning of Europe's most modern convenience factory in Marchtrenk in Austria, and a good business performance in Switzerland in the second half of the year.

Increase in raw material prices for pork

African swine fever and the associated shortage of raw materials, coupled with the trade disputes between the USA and China, pushed up raw material prices for pork in Europe by more than 40% in 2019. Negotiations to enforce price increases were quickly ushered in, but were only partially successful. This development had a significant impact on the result in the Bell International business area.

Abandonment of German sausage business

Organizational changes were made in the Bell Germany Division in 2019. At the end of June, the Bell Food Group announced that it was quitting the German sausage business. The factories in Suhl and in Börger have been sold, in a transfer of undertakings. By the end of the year, the factory in Bad Wünnenberg had been converted to a manufacturing facility for fresh convenience products. Going forward, Bell Germany will be focusing on, and expanding its strong position on the cured ham market.

New manufacturing facility for Serrano ham in Spain

The new manufacturing facility for Serrano ham, near Madrid, was opened in the first half of 2019 at the Spanish national subsidiary, which, for organizational purposes, belongs to Bell Germany. Together with the two existing factories, the company is now ideally placed in the growing market for Spanish charcuterie.

The convenience market continues to grow

The Convenience business area is making good headway, as the convenience market continues to grow. Ultra-fresh and ready-to-eat products in particular are experiencing very high rates of growth. In Marchtrenk, the Bell Food Group has opened a state-of-the-art production facility where, for the first time, fresh and ultra-fresh convenience products by Bell, Eisberg and Hilcona are manufactured under one roof for the German and Austrian market. The new production facility was opened in spring 2019 and was commissioned in stages.

Highlights from the Bell Food Group

The table below lists highlights from the year under review at Bell Food Group AG. For more information about the Bell Food Group, please refer to the factsheet below and visit www.bellfoodgroup.com.

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Bell Food Group AG

▼ Factsheet



Bell Switzerland business area

- Bell Switzerland celebrated its 150th anniversary in 2019. The product line launched especially to mark this, “Samuel Bell 1869”, developed very well in 2019.
- After a difficult financial year in 2018 and a poor start to the year, the situation at Bell Switzerland eased in the second half of 2019.
- Virtually all of the business units were instrumental in the improved business performance, with the areas of poultry and seafood doing particularly well.

Bell International business area

- The raw material situation for pork remained strained in 2019.
- The sale of the sausage business in Germany, along with the repurposing of the Bad Wünnenberg production facility, significantly dented sales at Bell Germany.
- In Fuensalida, near Madrid, a new manufacturing facility with annual capacity of around one million Serrano hams was opened.
- The positive trend at Hubers continues. Sales in Austria rose thanks to the acquisition of new customers; sales of organic products and sustainable specialities such as corn-fed chicken performed particularly well.
- The national subsidiaries in Poland and Hungary developed well and reaped the benefits of their ongoing volume strategy.



Convenience business area

- With a shortage of specialists in catering, novel food solution concepts will come to the fore. The Bell Food Group wants to play a leading role in this trend, and is investing in new production technologies for customer-specific food service solutions.
- A hot, dry summer made for difficulties sourcing raw materials for salads and vegetables from Europe.
- Despite the Swiss market being somewhat saturated, Eisberg had a good year in 2019, thanks to innovative products and strong rates of growth in Eastern Europe. The trend for high-convenience product concepts (salad bowls, shakers) continues.
- Hilcona achieved further growth in 2019. The new manufacturing facility for the German market was opened in Bad Wünnenberg in December 2019. With the launch of the Green Mountain burger, Hilcona made its first and successful foray into the booming meatless burger market in 2019.
- Hügli posted good sales in the food service business in 2019 and is benefiting to a greater extent from synergy effects within the Group. At year-end, for instance, Hügli took over spice filling from Coop's own manufacturing company Sunray. The trend towards fresh and liquid products continues.

